



TAX EXEMPTION STATUS OF 4-H CLUBS AND AFFILIATED 4-H ORGANIZATIONS

As determined by the Internal Revenue Service (IRS), 4-H Clubs and Affiliated 4-H Organizations are exempt from Federal income tax under provisions of the Internal Revenue Service (IRS) Code. Donors may deduct contributions to 4-H clubs and affiliated 4-H organizations such as; bequests, legacies, devises, transfers, or gifts as applicable under the IRS Code.

The IRS has assigned a Federal Income Tax Group Exemption Number to 4-H which must be used by all 4-H Clubs and affiliated 4-H organizations when filing or corresponding with the IRS. **The Group Exemption Number (GEN) is 2704.** Additionally, there is a Federal Tax Identification Number, commonly known as an Employer Identification Number (EIN) assigned to the National 4-H Headquarters-USDA that identifies that office as the "parent" entity for 4-H Clubs and Affiliated 4-H Organizations. **That Federal Tax Identification Number is 52-1057382.** These numbers are available for reference when addressing tax exemption status questions about 4-H clubs and affiliated 4-H organizations.

In order for the IRS to verify the tax exempt status of individual 4-H clubs and affiliated 4-H organizations, these entities must:

- Obtain a Federal Tax Identification Number or EIN; and
- submit a request in writing to the IRS for inclusion under the 4-H Group Exemption Number.

The EIN may be obtained on-line from the IRS at <http://www.irs.gov>. Click on search EIN and complete form SS-4. Insure that the GEN 2704 is used when completing the form. The EIN is provided on-line. The written request should be submitted to:

Internal Revenue Service
Ogden, UT 84201

Include the Name of the 4-H club or affiliated 4-H organization, mailing address, GEN 2704, EIN and effective date requested for inclusion under the Group Ruling. The written request **MUST** be signed by a state or local Cooperative Extension Service official.

For questions concerning the Tax Exempt status of 4-H Clubs or Affiliated 4-H Organizations, please contact the National 4-H Headquarters- USDA at (202) 720-2908 or at <http://www.national4-hheadquarters.gov>.

Examples of Frequently Asked Questions:

- Q. When is a purchaser making a contribution to 4-H and when are they making a non-tax deductible purchase?
- A. If the contribution is specifically identified as being made to a 4-H entity under the group ruling, it would be deductible as a gift or contribution to a tax exempt public charity as described in the IRS ruling. However, if the contribution or purchase is designated to a specific individual for a 4-H activity, such as a livestock sale, than it is treated as an individual gift and is not tax deductible.
- Q. What is tax deductible and what is not? If a CPA prepares the 4-H council's Form 990 free of charge, can they claim a tax deductible contribution of services?
- A. If they are a volunteer and have some office or standing with the 4-H entity, this could be an out of pocket expense in running the organization and be deductible. If not, generally time and services are not deductible under the IRS rulings.
- Q. Does a 4-H council need to be incorporated and what advantages are there for being incorporated versus not being?
- A. The general answer is that a 4-H entity does not have to be incorporated to be eligible for inclusion in the tax exempt status of 4-H. So they can receive this benefit and their contributors can claim deductions without being incorporated. Individual entities need to determine their specific need to incorporate.
- Q. Can the purchase of a raffle ticket be deducted as a contribution?
- A. No. In the majority of cases, the IRS treats all raffles, lotteries and so forth as gambling regardless of whether or not it is sponsored by a qualified organization and the cost of the raffle ticket can not be deducted as a contribution. Additionally, USDA has a long standing policy discouraging fund raising activities involving raffles, lotteries, games of chance, etc. There are several reasons. First, Federal regulations for the Guidelines for the Authorized Use of the 4-H Name and Emblem state, Fund-raising programs using the 4-H Name and Emblem should be carried out for specific educational purposes. Second, Private support monies should be: a.) given and used for priority educational purposes and b.) accounted for efficiently. Additionally, the 4-H Name and Emblem may not be used on or associated with products and services sold in connection with 4-H fund raising programs where an endorsement of a commercial firm, product or service is either intended or effected.



National 4-H Headquarters; 1400 Independence Avenue, S.W.; MS 2225; Washington, D.C. 20250
www.national4-hheadquarters.gov

